THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) to (d) Requests have been received for additional assistance/ advance release of entitlements for the year. The Union Government through a combination of feasible releases has helped the State to overcome the cash imbalance from time to time.

The financial management of States is primarily the responsibility of the State Government and it is for the respective State Governments to ensure that Plan funds are properly utilized in development Programmes. The Government of India imposes a cut in the Central Assistance if there is a shortfall in achievement of approved plan outlay.

Downsizing of Manpower in Government Departments

601. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned "Downsizing pleas fall on deaf ears" which appeared in the Business Standard dated the 26th January, 2001;

(b) if so, what is Government's reaction thereto;

(c) the major bottlenecks impeding the Government plan to reduce manpower in the Ministries and Departments of Government and achieve the targeted 10 per cent reduction in staff by 2004; and

(d) the steps proposed to remove these bottlenecks and downsize the establishment at an appropriate level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Downsizing is a continuous process in the Government's endeavour to reduce non-plan expenditure. In achieving this, the functional exigencies as well as the need for suitable restructuring of various activities are kept in view. The Expenditure Reforms Commission has also been set up to, *inter-alia*, recommend a roadmap for reducing the functions, activities and administrative structure of the Central Government and also to recommend measures for rationalising the staff and cadres of

different services covering the Central Ministries, attached offices and institutions. Recommendations of the Expenditure Reforms Commission will provide valuable inputs for decision by Government.

Outstanding Loans of NE States

602. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the State Governments of North Eastern Region have requested Government to write off all the outstanding loans till March, 2000; and

(b) if so, the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Some of the State Governments including those from North Eastern region have requested from time to time to write off their outstanding loans. The Eleventh Finance Commission, as per its term of reference was required to make an assessment of the debt position of all States and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Eleventh Finance Commission has since submitted its Report including the measures for debt relief. The Government of India has accepted the recommendations of the EFC with regard to debt relief of the States as contained in the main report for 2000—2005.

Tax Evasion by M/s. Novartis India Ltd.

603. SHRI VIJAY SINGH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether M/s. Novartis India Ltd. has evaded Rs. 2.35 crores tax;

(b) if so, the details thereof;

(c) what action Government propose to take in the matter; and

(d) whether the company is proposed to be blacklisted by Government on this account?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE